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7 **UNITED STATES DISTRICT COURT**  
8 **NORTHERN DISTRICT OF CALIFORNIA**  
9 **SAN FRANCISCO DIVISION**  
10

11 DAVID PERLMAN,

12 Plaintiff,

13 v.

14 STONEMOR PARTNERS LP,  
15 STONEMOR GP LLC, and DOES 1 through  
50, inclusive,

16 Defendants.  
17

Case No. 14-cv-01168 NC

**ORDER TO SHOW CAUSE WHY  
REMOVAL IS PROPER**

Re: Dkt. No. 1

18 On March 12, 2014, defendants removed this action to federal court on the basis of  
19 diversity jurisdiction, 28 U.S.C. § 1332(a). Dkt. No. 1 ¶ 8. However, the removal notice  
20 does not contain sufficient allegations to establish the citizenship of all relevant parties for  
21 diversity purposes. The federal courts “have an independent obligation to determine  
22 whether subject-matter jurisdiction exists, even in the absence of a challenge from any  
23 party.” *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 514 (2006). “If at any time [after removal  
24 and] before final judgment it appears that the district court lacks subject matter jurisdiction,  
25 the case shall be remanded.” 28 U.S.C. § 1447(c).

26 The notice of removal here does not adequately allege the citizenship of defendants  
27 StoneMor Partners L.P. and StoneMor GP LLC. The notice states that “StoneMor GP LLC  
28 was and is a limited liability company established under the laws of the State of Delaware,

1 with its principal place of business in Levittown, Pennsylvania,” and that “StoneMor GP  
2 LLC is a general partner of defendant StoneMor Partners L.P. . . . [and] was and is a master  
3 limited partnership established under the laws of the State of Delaware, with its principal  
4 place of business in Levittown, Pennsylvania.” Dkt. Nos. 1 ¶ 10; 2 ¶ 9. The removal notice  
5 further asserts that “pursuant to 28 U.S.C. § 1332(c), Defendants are not citizens of the  
6 State of California, but rather, are citizens of both Delaware and Pennsylvania.” Dkt. No. 1  
7 ¶ 10.

8 On April 10, 2014, plaintiff filed a motion seeking an order remanding the case to  
9 state court on the grounds that the removal is untimely, defendants waived the right to  
10 remove, and that diversity was destroyed because of the presence of an individual defendant  
11 who was a California citizen, Nisha Hafizahmad, and who was later dismissed. Dkt. No. 8.  
12 In their response to the motion for remand, defendants repeat their assertion that diversity of  
13 citizenship exists because both defendants were “established under the laws of Delaware  
14 and maintain their principal place of business in Pennsylvania.” Dkt. No. 11 at 8 n.1, 12-  
15 13.


16 Section 1332(c), referenced by defendants in support of their removal notice,  
17 addresses the citizenship of corporations and provides that “a corporation shall be deemed  
18 to be a citizen of every State and foreign state by which it has been incorporated and of the  
19 State or foreign state where it has its principal place of business.” 28 U.S.C. § 1332(c)(1).  
20 However, according to the removal notice, defendants here are not corporations but a  
21 limited liability company and a limited partnership. “[L]ike a partnership, an LLC is a  
22 citizen of every state of which its owners/members are citizens.” *Johnson v. Columbia*  
23 *Properties Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006); *Cosgrove v. Bartolotta*, 150  
24 F.3d 729, 731 (7th Cir. 1998). Therefore, defendants must inform the Court of the  
25 citizenship of all of their members. Moreover, if any member of defendants is itself a  
26 partnership or association (or another LLC), the Court needs to know the citizenship of each  
27 “sub-member” as well. *V & M Star, LP v. Centimark Corp.*, 596 F.3d 354, 356 (6th Cir.  
28 2010).

1 By May 28, 2014, defendants must show cause in writing why their removal is proper  
2 by addressing the Court's concerns identified above. If defendants do not establish that  
3 removal was proper, the Court will remand this action to state court and may order other  
4 relief as justice requires.

5 The initial case management conference is reset to June 11, 2014 at **1:00 p.m.** in  
6 Courtroom A, 15th Floor, U.S. District Court, 450 Golden Gate Avenue, San Francisco,  
7 California. The hearing on the motion for remand, currently set for May 21, 2014, is  
8 continued to the same date and time as the initial case management conference.

9 IT IS SO ORDERED.

10 Date: May 16, 2014

  
Nathanael M. Cousins  
United States Magistrate Judge